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DD/MQS 73-4819

19 DEC 1973

MEMORANDUM FOR: Deputy Director for Operations

Dear Bill:

1. I am, first, apologetic for my delay in giving you my observations on the recent recommendations made to you by the DD/O MAG concerning significant career changes in your Directorate. I trust you are mindful of the reasons that caused the delay.

2. The basic thrust of the MAG recommendations is indeed significant. On the one hand, it appears to me that the implementation of the concept--although I have some trouble with certain of the details--would be an appreciable contribution over the long haul to the career clandestine collector. Balanced against this, however, would be a consideration, first, as to what type of cleavage within the Directorate of Operations would be created and, secondly, whether the Agency is or should be prepared to accept that which predictably will be considered by the rest of the organization as an "elite group." It appears to me the resolution of this issue would have to be hammered out by the Management Committee. In presenting the issue for consideration, I think you must be mindful that there are other groups of Agency employees who spend a considerable part of their careers abroad and, while cover may not be as significant to them as it is to the clandestine collector, it is nevertheless important. I have in mind primarily Communications and Finance personnel, but there are other examples.

3. I have no particular quarrel with the "assumption paper," but I am not intellectually convinced that the answer to the problems raised by the assumptions is found necessarily or exclusively in the drama of the radical career recommendations.

4. As it pertains to the series of recommendations, I give my remarks in the sequence of the recommendations:

Recommendation A: The case is well developed to do something to reinstate esprit. The case is put forward in a positive vein which appears to me to be highly necessary to have it accepted. The risk is run, as previously mentioned, for allegations of elitism. 25X1 I do have a little difficulty in understanding the recommendation

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that the "Foreign Intelligence Service" be a name usable within the Intelligence Community, and I suspect this could lead to some political difficulties.

Recommendation B: This recommendation brings forth some gut issues. It raises the issue of a counterpart FSO pay scale. It vastly changes the ground rules for admission into CIARDS and raises entirely different concepts of tenure within the organization. These concerns are reflected in succeeding recommendations, and I will address them there.

Recommendation C: I do not believe the case is made as to why a separate salary schedule, i.e., FSO, has to be created to meet the two problems identified. Those two problems are, as the authors see them, a lack of comparable upper grade positions in DD/O compared to State and USIA and "more accelerated advancement over a shorter career period." It appears to me that as long as we are a Federal executive agency the problems envisioned by the authors remain, whether one sticks with a GS scale or goes to FSO. Upper level positions under either system come about by some objective management device that establishes the need for the position and awards the salary rate. Promotion rates, under either system, are also geared to the total number of positions by grade, the total number of people on board, and something called an "average grade." I suspect that this matter should be subjected to specific study of the structuring of the FSO system by our Office of Personnel before we merely assume there are benefits by switching to that system. I would further point out that it is my opinion the adoption of such a system may possibly call for Congressional legislation. At the very minimum, we would be most politically unwise if we ever launched such a system without prior knowledge to and concurrence from both OMB and our appropriate Congressional committees.

Recommendation D: It is possible to consider the lowering of the retirement age from 60 to 55, but I think considerable study from several points of view is necessary before one fully understands the impact. The funding of the CIARDS system, like that of the Civil Service retirement fund, is a matter of some concern. Accordingly, any reduction of the retirement age may have a very adverse financial impact. I note the authors then go on to suggest that early retirement would be made more attractive if annuities were increased. A most comprehensive actuarial study of certain retirement models would have to be undertaken before anyone could consider the simultaneous approval of the dual benefits, i.e., early retirement with higher annuities.

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Recommendation E: This would be a most difficult recommendation for any DCI to implement. I am reminded that when the original early retirement policy of the Agency was adopted GS-18's and above were authorized to remain until the age of 65. As you may recall, because of certain problems that presented, that authority was withdrawn and all employees are now subjected to the 60 year rule. To start to pick and choose who should remain after the age of 55 almost calls for Solomon-like judgements--which most people do not like to make.

Recommendation F: I believe there is general merit to consider throughout the Agency the matter of this probationary policy for a limited five-year tenure. As you may know, the recent Personnel Approaches Study Group has asked the OGC to interest themselves in this matter and give advice as to what flexibility the Director has under current legislation.

Recommendation G: I am of the opinion that there is a fairly adequate policy called "separation compensation" which bestows some payment to employees separated before they are at a combination of age/service which allows immediate annuities. Depending on service and grade, this can run as high as one year's salary. The Office of Personnel can give more specifics on this matter.

Recommendation H: Stipulated.

S. In connection with the matter of adopting FSO scales, I have attached for your interest a chart, at Attachment A, which contains comparative income at the GS/FSO position levels. Secondly, and in connection with recommendations pertaining to selection out of members of the recommended Foreign Intelligence Service, there is attached a copy of an article from the 13 December Washington Star. While the law governing the personnel management of the foreign service is different than the Act of 1947 which establishes the DCI as the "hiring and firing authority," I think we had best be mindful of positions taken by Federal courts on the due process used by Federal agencies in separating employees.

/s/ J. F. Blake

John F. Blake
Associate Deputy Director
for
Management and Services

Attachments: a/s

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